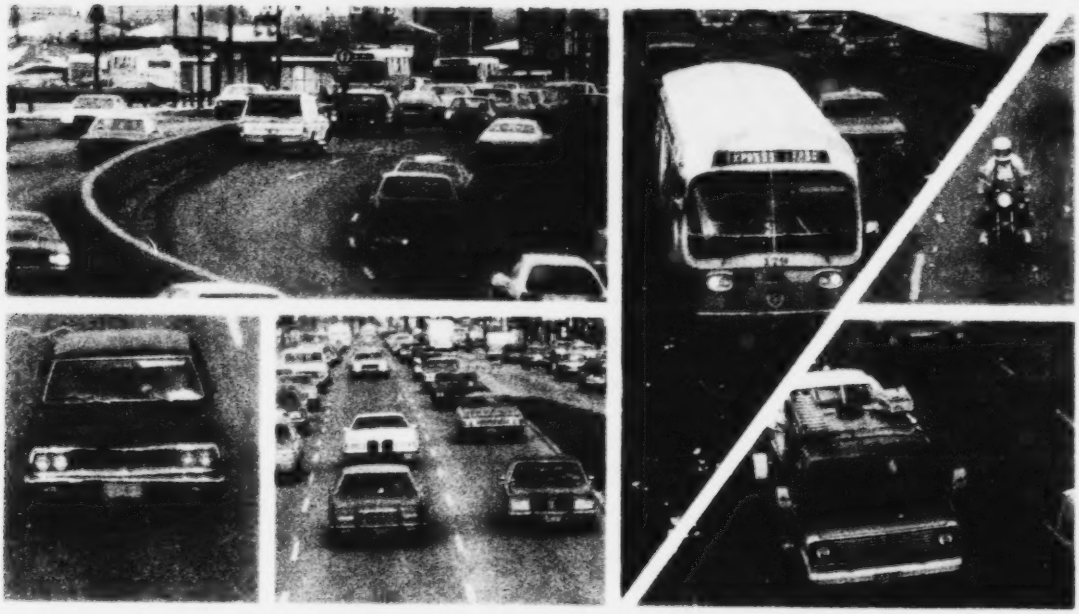
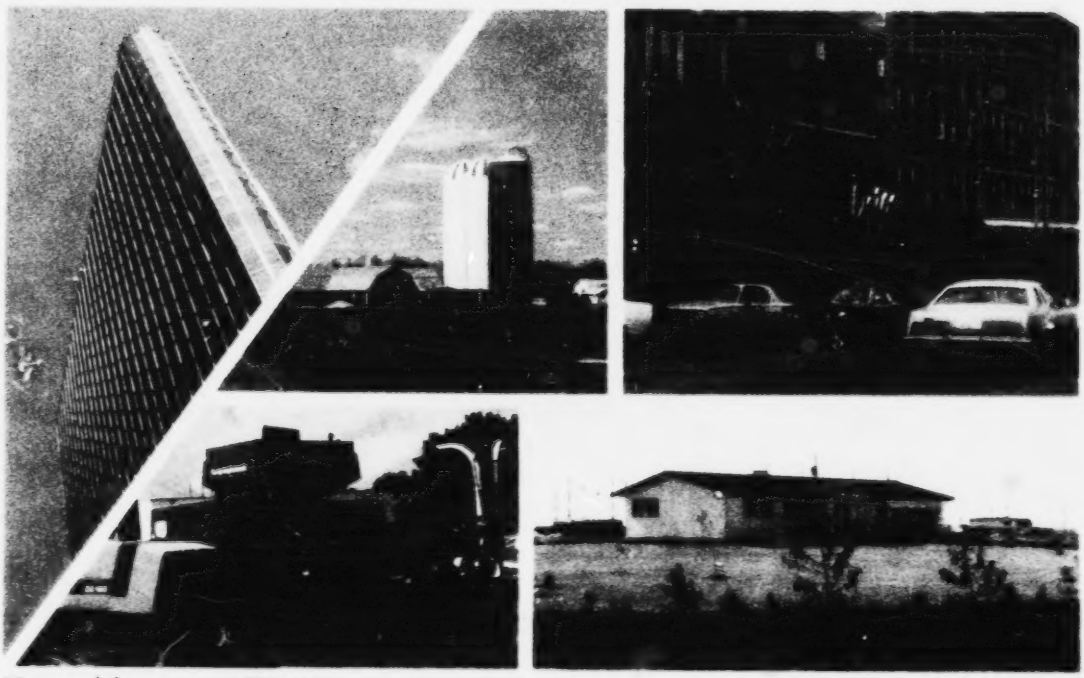
Automobile Insurance Division



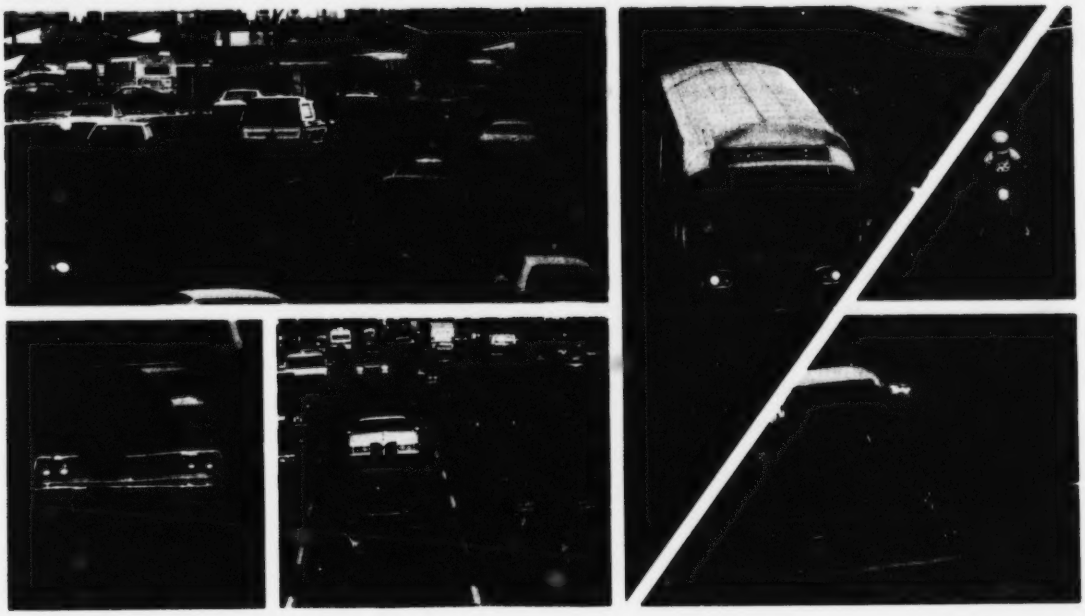
"Our First Interest is You"

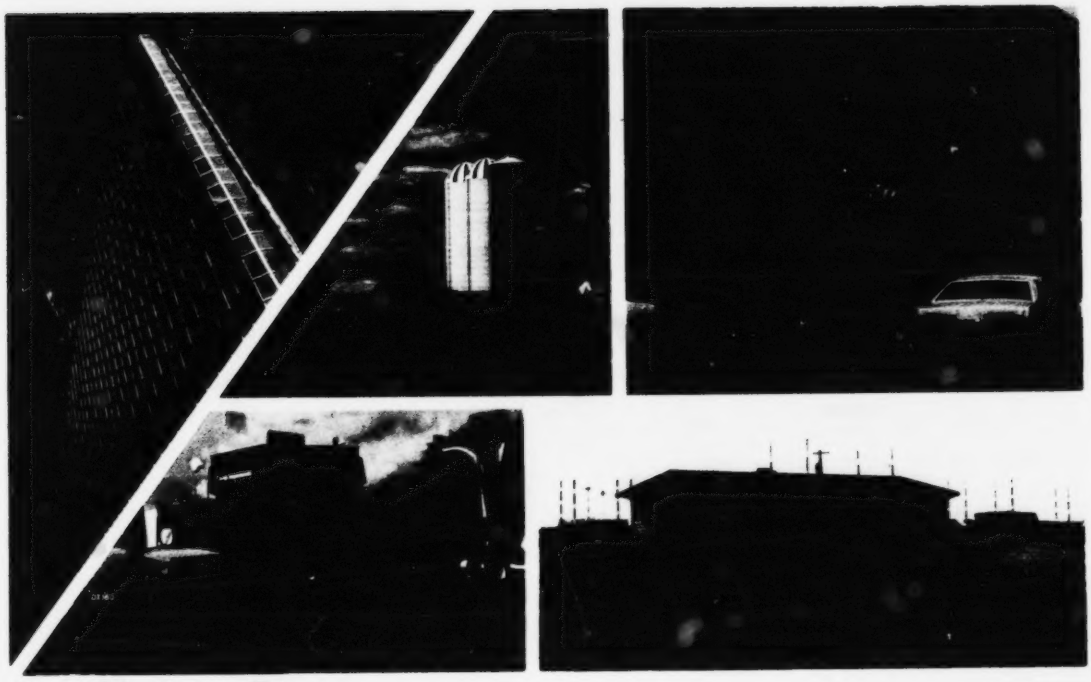


General Insurance Division

"Our First Interest is You"

Automobile Insurance Division





General Insurance Division

In Memorium

Mr. J. O. Dutton

The Corporation was deeply saddened at the passing of our President and General Manager, Mr. J. O. Dutton. Mr. Dutton's legacy to the people of our province is witnessed by his leadership of The Manitoba Public Insurance Corporation from its formative months, right up until the time of his passing in August, 1982.

The services of this respected and dedicated man have been lost. Not lost, however, is the lasting impact of his leadership of M.P.I.C. Mr. Dutton's career in the insurance industry spanned a period of thirty-seven years. During that time, he achieved many benchmarks, among which was the distinction of having been the General Manager of two government insurance organizations.

The Manitoba Public Insurance Corporation will forever bear the imprint of Mr. J.O. Dutton and his many special qualities, including those of leadership and humanity. He will be greatly missed and fondly remembered.

Eleventh Annual Report

The Manitoba Public Insurance Corporation

For The Fiscal Year Ending October 31, 1982

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Winnipeg, March 4, 1983
To Her Honour
The Honourable Pearl McGonigal
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the honour to submit the Annual Report of The Manitoba Public Insurance Corporation for the year ended October 31, 1982.

Respectfully submitted,

John M. Bucklaschuk

Honourable John M. Bucklaschuk
Minister Responsible for
The Manitoba Public Insurance Corporation

Winnipeg, March 3, 1983

Honourable John M. Bucklaschuk
Minister Responsible for
The Manitoba Public Insurance Corporation

Sir:

In accordance with Section 37(1) of The Manitoba Public Insurance Corporation Act, I have the honour to present the Annual Report of The Manitoba Public Insurance Corporation for the fiscal year ended October 31, 1982.

Respectfully submitted,

Olafur P. Sigurdson,
Chairman of
The Manitoba Public Insurance Corporation

Chairman's Message

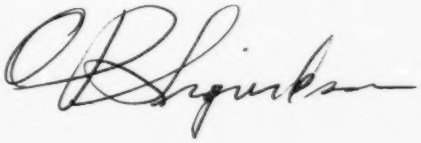
Here in the eleventh annual report of The Manitoba Public Insurance Corporation you will see the financial profile of a vigorous and healthy insurance business. Manitobans can be proud of their Insurance Corporation.

It was my honour to have served on the first board at the inception of the Corporation, a role I continued until 1980. I am gratified at the changes and continuing growth which I now see in M.P.I.C. and am pleased to serve as Chairman.

The Corporation is to be commended on the recently expanded Autopac No-Fault accident benefits, benefits which are superior to other jurisdictions and provide greater protection for all Manitobans. This example of improving coverages says a great deal in itself about M.P.I.C. I feel it certainly evidences the Corporation's words: "Our First Interest Is You".

On behalf of the Board, I extend appreciation to the staff of The Corporation and to the insurance agents throughout Manitoba who represent us in every area of the province. M.P.I.C. has certainly become an economic benefit to the people it serves. In the broader range, for example, the Corporation's long term investments in Manitoba provincial, hospital, school and municipal bonds and debentures now total $136.4 million. Decidedly, this benefits the Province as an entity and the investment income greatly assists in reducing the eventual cost of insurance to our policyholders.

We look forward to the future with confidence and commitment.



O.P. Sigurdson
Chairman of the Board

Acting General Manager's Message

As The Manitoba Public Insurance Corporation closed its eleventh fiscal year, the Corporation again showed a substantial financial growth. The Corporation is especially pleased to report a surplus of $15.1 million in The Automobile Insurance Division. On the other hand our General Insurance Division followed the fortunes of the insurance industry as a whole reporting a small loss of $.8 million. Regardless of the $.8 million loss the Corporation is in a healthy financial position, completely self-sustaining, devoid of borrowing and equity funds from any source.

While automobile claims reduced for the third year in a row, the cost of those claims continued to escalate at a dramatic rate (impacted by ever increasing labour rates and the cost of repair parts as well as increased payments for no-fault accident benefit and liability claims). Of interest is that The Automobile Insurance Division experienced daily claims incurred costs of $383,400 in 1982 compared to $350,900 in 1981.

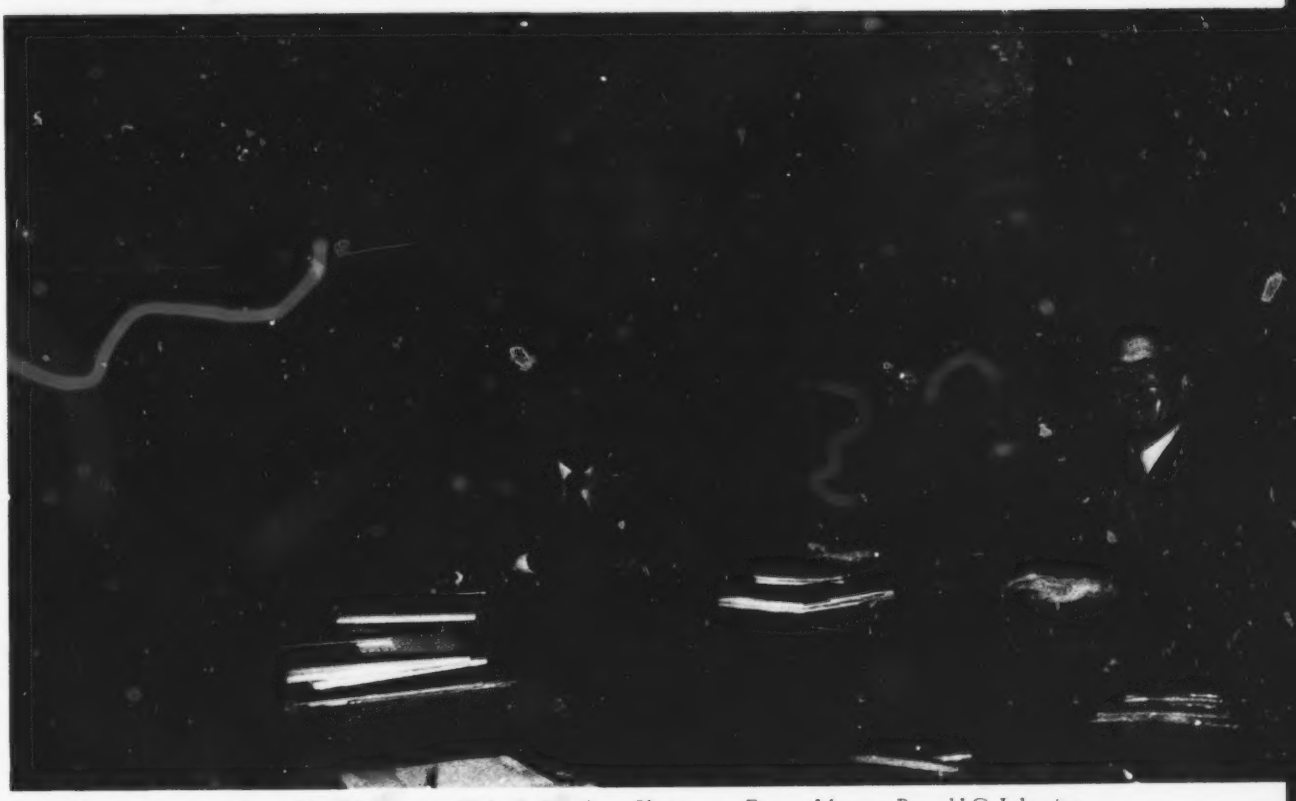
We continue to strive in our on-going improvement of the service level we provide to Manitoba motorists. For example, our DIAL-a-CLAIM system of reporting claims by telephone has speeded service to the public and eliminated congestion at the Claims Centres. It is now operational in all Winnipeg Centres, plus Brandon and Selkirk.

The General Insurance Division indicates growing acceptance by the people of Manitoba. Despite the current year's deficit, we are confident this Division will continue a measured development pattern, as ever greater numbers of citizens and businesses choose to obtain their general insurance protection from M.P.I.C.

In closing, I wish to express sincere appreciation to the eight hundred and seventy-nine employees and three hundred and ninety-nine agents of The Manitoba Public Insurance Corporation who embody our Corporate pledge that "Our First Interest Is You".

C.A. Laufer
Acting General Manager

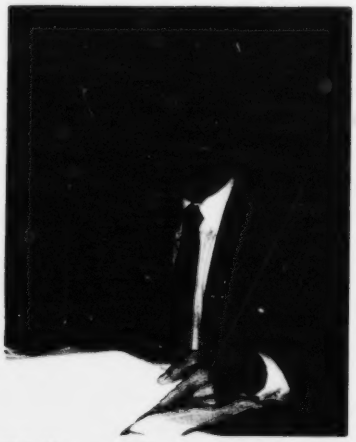
Board of Directors



Seated L to R: Nancy J. Sullivan, Vice-Chairperson, Olafur P. Sigurdson, Chairperson, Frances Jakeman, Raynald C. Labossiere
Standing L to R: Gerard J. Lecuyer, Daniel J. Werbiski

Corporate Officers

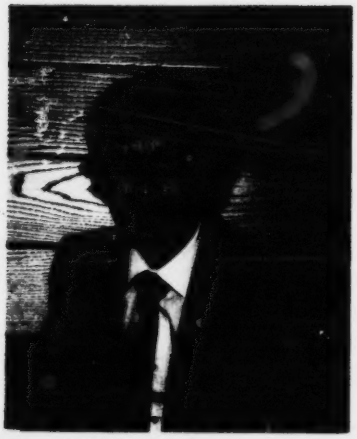
C.A. Laufer,
Acting General Manager



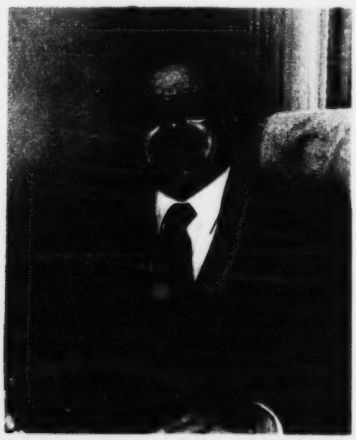
S.S. Kapoor, Q.C.
General Counsel

K.M. Jordon, Senior Vice-President
General Insurance Division

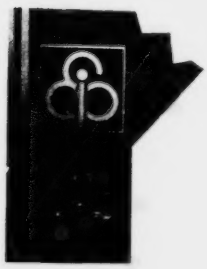
H.P. Dribnenky, Vice-President
Finance



D.R. Kidd, Vice-President
Corporate Services



T.M. Petrishen, Vice-President
Autopac



The Manitoba Public Insurance Corporation
The Financial Year in Review

OCTOBER 31, 1982

The financial results for the fiscal year ended October 31, 1982 produced a consolidated net profit of $14.3 million on total net premiums written of $194.9 million. The Automobile Insurance Division contributed a net profit of $15.1 million while the General Insurance Division incurred a net loss of $.8 million.

The Corporation assets increased by 22.8% to $232.3 million or $43.2 million over last year. Asset growth was primarily concentrated in the Corporation's investment portfolio which is now in excess of $197 million, an increase of $40 million over last year.

The major source of investment funds are from provisions for unpaid claims and unearned premiums.

The provision for unpaid claims covers claims reported to the Corporation but not yet settled for the current and all prior years. In addition an estimate for claims incurred but not yet reported at the close of business for the fiscal year is included in the provision.

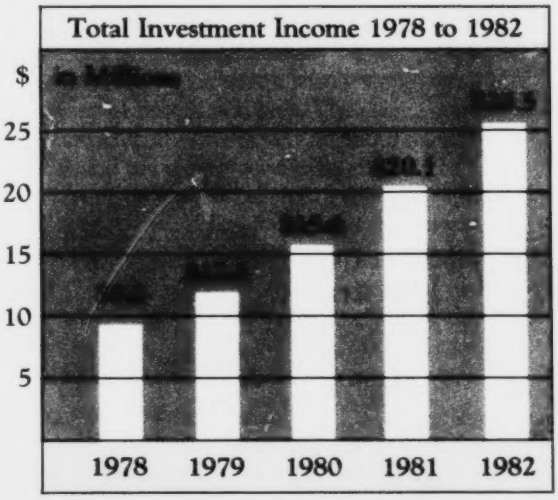
Provisions for unearned premiums represent premiums received for a period which extends beyond the fiscal year end.

The provision for unpaid claims and unearned premiums as at October 31 is as follows (in $ million).

	1982	1981
Provision for unpaid claims	$109.0	$ 89.7
Provision for unearned premiums	69.8	62.6
	$178.8	$152.3

With the exception of $1.4 million the entire long term portion of the investment portfolio totalling $137.8 million is invested in Manitoba provincial, hospital, school and municipal bonds and debentures as follows:

	$ Million	%
Provincial — Manitoba	$84.8	61.5%
— Other	1.4	1.0
Hospitals	32.7	23.7
Schools	.5	.4
Municipal	18.4	13.4
	$137.8	100.0%



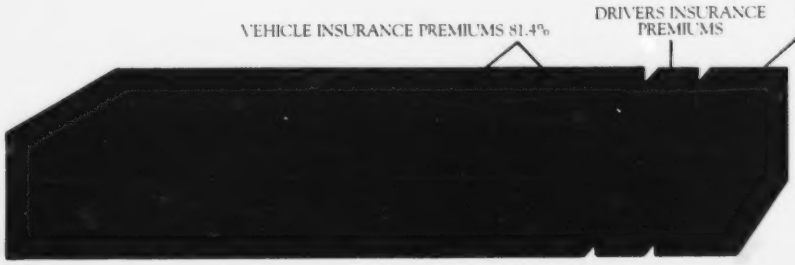
Investment income continues to be a significant source of revenue for the Corporation and greatly assists in reducing the eventual cost of insurance to our policyholders. Total investment income of $25.5 million was earned during the year, up from $20.1 million last year.

Claims adjusting expenses for the Automobile and General Insurance Divisions have been reported separately from administrative expenses to conform with reporting practices of the insurance industry.

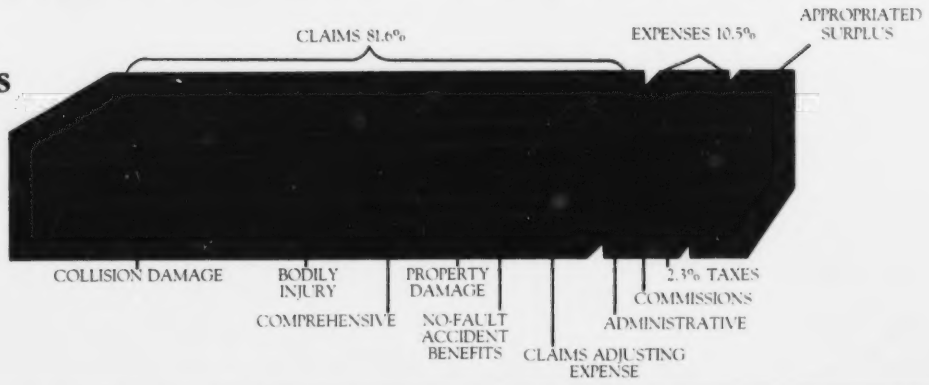
Distribution of the Dollar

1982

Income

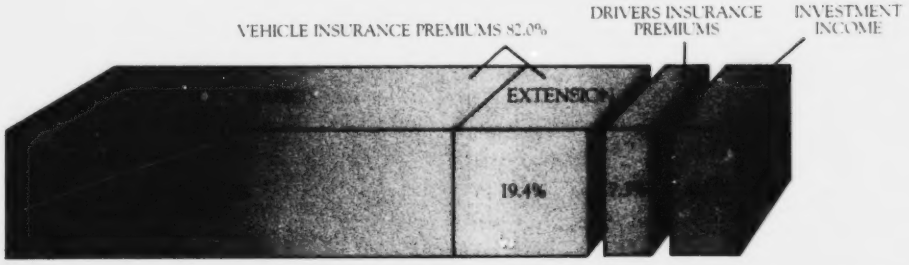


How It Was Utilized

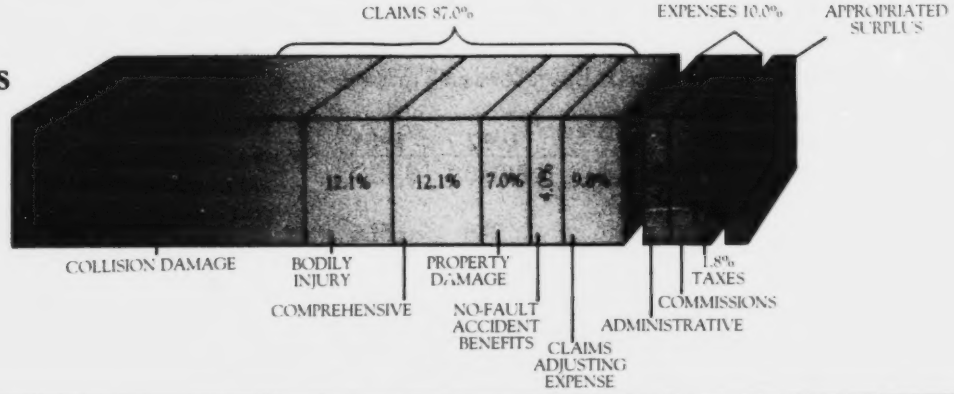


1981

Income



How It Was Utilized



Automobile Insurance Division

For the third consecutive year the volume of claims handled by the Corporation decreased, with 196,000 claims in 1982 compared to 214,000 claims in 1981. The 8.4% reduction in the number of claims coupled with increased investment income as a result of higher than normal short term interest rates resulted in a net profit of $15.1 million for the Automobile Insurance Division.

The profit permitted the Corporation to increase the catastrophes reserve to $22.0 million (1981 - $10.0 million), the contingencies reserve by $750,000 to $3.6 million and the rate stabilization reserve to $7.8 million (1981 - $5.5 million).

Total earned revenues for the year of $192.0 million represent an increase of 15.7% over the previous year with premium earnings accounting for $21.1 million or 12.7% and investment income adding $4.9 million or 3.0% of the increase.

In spite of the reduction in the volume of claims handled the claims incurred increased by 9.2% to $139.9 million compared to $128.1 million in 1981. This increase can be attributed to higher costs for collision repair parts and labour rates as well as increased payments for no-fault accident benefits and liability claims.

The Dial-A-Claim service provided in Winnipeg, City of Brandon and area, and for Out-of-Province claims which are serviced from the Brandon Claims Office continued to generate a positive response from the public. During 1982, the dial-a-claim program, which facilitates accident reporting by telephone and vehicle damage appraisal by appointment, was expanded to include the City of Selkirk and area. The claims branches in Steinbach and Winkler were upgraded to claim office status and the Corporation purchased a claims branch office site in Flin Flon to replace rented facilities to better serve the needs of our clients in those areas.

The administrative expense ratio, including commissions and premium taxes, compared to total earned revenues rose slightly to 10.5% (1981 - 10.0%) due mainly to the increase in the premium tax rate effective January 1, 1982.

General Insurance Division

The Corporation's General Insurance Division commenced operations in July, 1975 and, in competition with private insurers, is authorized to accept all classes of general insurance business.

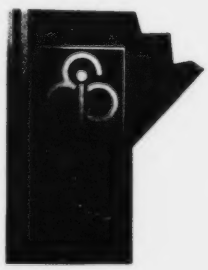
The general insurance market in Manitoba continues to be highly competitive with a large number of companies seeking to expand their volume of business. The Corporation's marketing department has played an active role in assisting the division in improving upon its overall market share of business by developing the most comprehensive and innovative coverages for the Manitoba market.

Paralleling the experience of this industry in Canada generally, the division recorded a net loss of $.8 million for the fiscal year. Remedial action in the form of reviews on product pricing and expense reductions continue to be undertaken to assist in improving the results while achieving positive measured growth.

Premium earnings for the year of $18.4 million represent an increase of 50.0% over the previous year. Claims incurred including adjusting costs rose by $5.0 million to $14.0 million, an increase of 55% over 1981.

The growth in the General Insurance Division is in large measure attributable to the excellent support of our 302 independent agents throughout the province. Efficient claims service is provided to our claimants in all areas of the province by in-house adjusters and independent adjusting firms.

The administrative expense ratio, including commissions and premium taxes, compared to total earned revenues increased from 34.2% in 1981 to 37.6% in 1982 due mainly to higher commissions, salaries and taxes.



Auditors' Report

The Board of Directors,
The Manitoba Public Insurance Corporation.

We have examined the balance sheet of The Manitoba Public Insurance Corporation as at October 31, 1982 and the statements of operations, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at October 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The comparative figures as at October 31, 1981 and for the year then ended were reported on by other auditors.

Thorne Gillingwater & Co.

Chartered Accountants
Winnipeg, Canada
January 5, 1983

Statement of Operations – Automobile Insurance Division

For The Year Ended October 31, 1982

	1982	1981
REVENUE		
Premiums Written	**$175,073,000**	$157,807,000
Premiums Earned	**$169,376,000**	$148,237,000
Investment Income (Note 3)	**22,654,000**	17,747,000
Total Earned Revenues	**$192,030,000**	$165,984,000
CLAIMS COSTS		
Claims Incurred	**$139,939,000**	$128,094,000
Claims Adjusting Expense – Schedule 1	**16,773,000**	16,215,000
	$156,712,000	$144,309,000
EXPENSES – Schedule 1		
Administrative	**$ 7,450,000**	$ 6,848,000
Commissions	**8,243,000**	6,677,000
Premium Taxes	**4,520,000**	3,051,000
	$ 20,213,000	$ 16,576,000
Total Claims and Expenses	**$176,925,000**	$160,885,000
Net Profit for the Year – Statement 4	**$ 15,105,000**	$ 5,099,000

Statement of Operations – General Insurance Division

For The Year Ended October 31, 1982

	1982	1981
REVENUE		
Premiums Written	**$19,875,000**	$13,354,000
Premiums Earned	**$18,357,000**	$12,235,000
Investment Income (Note 3)	**2,849,000**	2,388,000
Total Earned Revenues	**$21,206,000**	$14,623,000
CLAIMS COSTS		
Claims Incurred	**$13,223,000**	$ 8,368,000
Claims Adjusting Expense – Schedule 1	**792,000**	647,000
	$14,015,000	$ 9,015,000
EXPENSES – Schedule 1		
Administrative	**$ 2,992,000**	$ 2,586,000
Commissions	**4,578,000**	2,151,000
Premium Taxes	**395,000**	262,000
	$ 7,965,000	$ 4,999,000
Total Claims and Expenses	**$21,980,000**	$14,014,000
Net Profit (Loss) for the Year – Statement 4	**$ (774,000)**	$ 609,000

Balance Sheet as at October 31, 1982

Assets

	1982	1981
Cash and investments maturing within one year (Note 4)	$ 59,239,000	$ 46,730,000
Accounts receivable (Note 5)	16,934,000	14,599,000
Prepaid expenses and inventories	501,000	590,000
Deferred premium acquisition costs (Note 3)	6,707,000	5,243,000
Investments — Schedule 2 (Note 3)	137,803,000	110,745,000
Property and equipment (Notes 3 and 6)	8,113,000	7,878,000
Organization expenses (Notes 3 and 7)	3,003,000	3,288,000
	$232,300,000	$189,073,000

On Behalf of the Board

Chairperson

Vice Chairperson

Liabilities and Retained Earnings

	1982	1981
General accounts payable	$ 1,798,000	$ 2,083,000
Provision for accrued charges	8,653,000	6,889,000
	$ 10,451,000	$ 8,972,000
Automobile Insurance Division		
Accounts payable and accrued charges	$ 4,686,000	$ 3,922,000
Unearned premiums (Note 3)	63,243,000	57,546,000
Unpaid claims (Note 3)	93,432,000	75,952,000
Retained earnings — Statement 4	33,356,000	18,251,000
	$194,717,000	$155,671,000
General Insurance Division		
Accounts payable and accrued charges	$ 603,000	$ 515,000
Unearned premiums (Note 3)	6,604,000	5,087,000
Unpaid claims (Note 3)	15,607,000	13,736,000
Retained earnings — Statement 4	4,318,000	5,092,000
	$ 27,132,000	$ 24,430,000
	$232,300,000	$189,073,000

Statement of Retained Earnings

For The Year Ended October 31, 1982

	1982	1981
AUTOMOBILE INSURANCE DIVISION		
Unappropriated retained earnings at the beginning of the year	$ —	$ —
Net profit for the year — Statement 1	15,105,000	5,000,000
Transfer to reserve for catastrophes	(12,000,000)	(3,000,000)
Transfer to reserve for contingencies	(750,000)	—
Transfer to reserve for rate stabilization	(2,355,000)	(2,000,000)
Unappropriated retained earnings at the end of the year	$ —	$ —
Appropriated retained earnings		
Reserve for catastrophes (Note 8)	$ 22,000,000	$ 10,000,000
Reserve for contingencies (Note 8)	3,550,000	2,800,000
Reserve for rate stabilization (Note 9)	7,806,000	5,451,000
	$ 33,356,000	$ 18,251,000
Total retained earnings — Statement 3	$ 33,356,000	$ 18,251,000
GENERAL INSURANCE DIVISION		
Unappropriated retained earnings at the beginning of the year	$ 1,092,000	$ 1,483,000
Net profit (loss) for the year — Statement 2	(774,000)	609,000
Transfer to reserve for catastrophes and contingencies	—	(1,000,000)
Unappropriated retained earnings at the end of the year	$ 318,000	$ 1,092,000
Appropriated retained earnings		
Reserve for catastrophes and contingencies (Note 8)	$ 4,000,000	$ 4,000,000
Total retained earnings — Statement 3	$ 4,318,000	$ 5,092,000

Statement of Changes in Financial Position

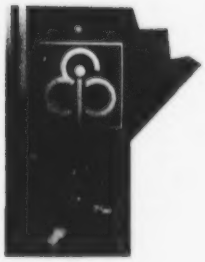
For The Year Ended October 31, 1982

	1982	1981
RESOURCES PROVIDED		
Net profit for the year – Statement 1 and 2	**$14,331,000**	$ 5,708,000
Adjustments to convert net profit to a cash basis:		
Increase in unearned premiums	**7,214,000**	10,689,000
Increase in unpaid claims	**19,351,000**	16,465,000
Depreciation and amortization	**731,000**	747,000
Increase in accounts receivable, prepaid expenses and deferred premium acquisition costs	**(3,710,000)**	(3,800,000)
Increase in accounts payable and accrued charges	**2,331,000**	3,945,000
Proceeds from disposal of property and equipment	**2,000**	4,000
	$40,250,000	$33,758,000
RESOURCES APPLIED		
Acquisition of property and equipment	**683,000**	1,537,000
Net resources available for investment	**$39,567,000**	$32,221,000
CHANGE IN RESOURCES		
Increase in cash and short term investments	**$12,509,000**	$15,534,000
Increase in long term investments	**27,058,000**	16,687,000
	$39,567,000	$32,221,000

Schedule of Expenses Incurred

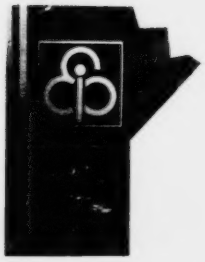
For The Year Ended October 31, 1982

	1982	1981
Amortization of organizational expenses	$ 285,000	$ 285,000
Bad debts	95,000	75,000
Commissions	12,821,000	8,828,000
Data processing	1,676,000	1,609,000
Depreciation and amortization	446,000	462,000
Employee travel and sustenance allowance	405,000	377,000
Grants in lieu of taxes	454,000	420,000
Health and education tax	109,000	—
Premium taxes	4,915,000	3,313,000
Rent	1,293,000	1,062,000
Salaries and employee benefits	21,309,000	20,682,000
Other administrative expenses	2,281,000	2,147,000
Less net recovery from the motor vehicle branch (Note 10)	(346,000)	(823,000)
Total expenses incurred	$45,743,000	$38,437,000
Allocation:		
Automobile insurance division — Statement 1		
Claims adjusting expense	$16,773,000	$16,215,000
Administrative expense	7,450,000	6,848,000
Commissions	8,243,000	6,677,000
Premium taxes	4,520,000	3,051,000
	$36,986,000	$32,791,000
General insurance division — Statement 2		
Claims adjusting expense	$ 792,000	$ 647,000
Administrative expense	2,992,000	2,586,000
Commissions	4,578,000	2,151,000
Premium taxes	395,000	262,000
	$ 8,757,000	$ 5,646,000
Total	$45,743,000	$38,437,000



Schedule of Investments AS AT OCTOBER 31, 1982

Description of Securities	Par Value	Book Value
Provincial:		
Province of Manitoba	$ 40,529,000	$ 40,314,000
Manitoba Telephone System	22,749,000	21,990,000
Manitoba Hydro-Electric Board	24,502,000	22,456,000
Ontario Hydro-Electric Commission	1,500,000	1,364,000
	$ 89,280,000	$ 86,124,000
Hospitals:		
Brandon General Hospital	$ 1,980,000	$ 1,980,000
Boissevain Hospital District	851,000	851,000
Dauphin General Hospital	90,000	90,000
Deloraine Hospital District #14	638,000	638,000
The De Salaberry Hospital District #27A	207,000	207,000
Flin Flon General Hospital	720,000	720,000
Gimli Hospital District #39	208,000	208,000
Gladstone Hospital District #17	14,000	14,000
Grace General Hospital	963,000	770,000
Grandview Hospital District #3B	11,000	11,000
Hamiota Hospital District #7A	98,000	98,000
Health Sciences Centre	1,432,000	1,358,000
Hunter Memorial Hospital District #33	1,278,000	1,278,000
Lakeshore General Hospital District #34A — Ashern	62,000	62,000
Lynn Lake Hospital District #38	161,000	161,000
Manitoba Hospital Capital Financing Authority	3,784,000	3,784,000
Minnedosa Hospital District #8	88,000	88,000
Misericordia General Hospital	598,000	598,000
Morden Hospital District #21	693,000	693,000
Neepawa Hospital District #9	374,000	374,000
Portage Hospital District #18	575,000	575,000
The Roblin Health Centre District	896,000	896,000
Russell Hospital District #8	480,000	480,000
St. Anthony's General Hospital — The Pas	720,000	720,000
St. Boniface General Hospital	40,000	32,000
Seven Oaks Hospital	2,580,000	1,930,000
Swan River Hospital District #1	488,000	488,000
Thompson General Hospital	1,413,000	1,385,000
Tri-Lake Hospital District #15	52,000	52,000
Victoria General Hospital — Winnipeg	1,400,000	1,400,000
Victoria-South Norfolk Treherne Hospital District #19	254,000	254,000
Winnipeg General Hospital	235,000	201,000
Betel Home Foundation — Gimli	176,000	176,000
Betel Home Foundation — Selkirk	476,000	476,000



Schedule of Investments AS AT OCTOBER 31, 1982, CONTINUED

Description of Securities	Par Value	Book Value
Hospitals:		
Bethania Mennonite Personal Care Home Inc.	$ 100,000	$ 100,000
Birtle Health Services District	537,000	537,000
Birtle Personal Care Home Inc.	53,000	53,000
B.M.W. Health Facilities Inc.	84,000	84,000
Dauphin Personal Care Home Inc.	414,000	414,000
Fairview Home Inc.	96,000	96,000
Flin Flon Personal Care Home Corporation	1,095,000	1,095,000
Foyer Notre Dame Incorporated	39,000	39,000
Goodwin Lodge Inc.	130,000	130,000
Holy Family Nursing Home — Sister Servants of Mary Immaculate	918,000	918,000
Lakeview Senior Citizens Home	48,000	48,000
Lorne Memorial Medical Nursing Unit #190	232,000	232,000
McCreary/Alonsa Health Centre	32,000	32,000
McCreary/Alonsa Personal Care Home Inc.	138,000	138,000
Manitoba Baptist Home Society Inc.	106,000	106,000
Middlechurch Home of Winnipeg	78,000	78,000
Portage la Prairie Lions Care Hostel Inc.	267,000	267,000
Red River Valley Lodge Inc. — Emerson	80,000	80,000
Rocklake Health District	1,075,000	1,075,000
Rocklake Personal Care Home Inc.	265,000	265,000
Rosewood Lodge Inc.	15,000	15,000
St. Joseph's Residence	882,000	882,000
Snow Lake Medical Nursing Unit District #40	782,000	782,000
Tache Nursing Centre	1,011,000	1,011,000
The Pas Health Complex Inc. — St. Paul's Residence	462,000	462,000
The Pas Health Complex Inc. — St. Anthony's General Hospital	629,000	629,000
Tiger Hills Manor Inc.	30,000	30,000
Winnipeg Presbytery Society for Senior Citizens Homes in Winnipeg	120,000	120,000
	$ 33,753,000	$ 32,766,000
Schools:		
Portage la Prairie School Division #24	$ 156,000	$ 156,000
Flin Flon School Division #46	260,000	260,000
Western School Division #47	127,000	127,000
	$ 543,000	$ 543,000
Municipal:		
City of Brandon	$ 876,000	$ 812,000
City of Flin Flon	1,919,000	1,919,000

Schedule of Investments AS AT OCTOBER 31, 1982, CONTINUED

Description of Securities	Par Value	Book Value
Municipal:		
City of Portage la Prairie	$ 3,213,000	$ 3,171,000
Town of Altona	577,000	577,000
Town of Boissevain	106,000	102,000
Town of Carman	38,000	38,000
Town of Deloraine	211,000	211,000
Town of Emerson	302,000	302,000
Town of Gimli	34,000	34,000
Town of Grandview	117,000	117,000
Town of Killarney	345,000	345,000
Town of Melita	363,000	363,000
Town of Minnedosa	84,000	84,000
Town of Morden	494,000	494,000
Town of Morris	30,000	30,000
Town of Neepawa	44,000	44,000
Town of Rapid City	88,000	88,000
Town of Roblin	210,000	210,000
Town of Russell	228,000	228,000
Town of Selkirk	577,000	577,000
Town of Snow Lake	105,000	105,000
Town of Steinbach	1,244,000	1,244,000
Town of Swan River	541,000	541,000
Town of Virden	29,000	29,000
Town of Winkler	433,000	433,000
Town of Winnipeg Beach	74,000	74,000
Village of Arborg	90,000	90,000
Village of Benito	43,000	43,000
Village of Binscarth	78,000	78,000
Village of Gretna	25,000	25,000
Village of Hamiota	27,000	27,000
Village of Lac du Bonnet	105,000	105,000
Village of MacGregor	124,000	124,000
Village of Manitou	95,000	95,000
Village of Pilot Mound	130,000	130,000
Village of Plum Coulee	38,000	38,000
Village of Riverton	9,000	9,000
Village of St. Anne	36,000	36,000
Village of Shoal Lake	80,000	80,000
Village of Somerset	48,000	48,000
Village of St. Pierre	220,000	220,000
Village of Winnipegosis	111,000	111,000
Rural Municipality of Albert	17,000	17,000
Rural Municipality of Assiniboine	10,000	10,000
Rural Municipality of Cartier	12,000	12,000

Schedule of Investments AS AT OCTOBER 31, 1982, CONTINUED

Description of Securities	Par Value	Book Value
Municipal:		
Rural Municipality of Edward	$ 173,000	$ 173,000
Rural Municipality of Hanover	204,000	204,000
Rural Municipality of La Broquerie	26,000	26,000
Rural Municipality of MacDonald	237,000	237,000
Rural Municipality of Montcalm	35,000	35,000
Rural Municipality of Morris	61,000	61,000
Rural Municipality of Morton	25,000	25,000
Rural Municipality of North Norfolk	152,000	152,000
Rural Municipality of Ritchot	421,000	421,000
Rural Municipality of Rockwood	67,000	67,000
Rural Municipality of Siglunes	128,000	128,000
Rural Municipality of Springfield	32,000	32,000
Rural Municipality of Strathcona	28,000	28,000
Rural Municipality of Tache	29,000	29,000
Rural Municipality of Thompson	47,000	47,000
Rural Municipality of Whitewater	32,000	32,000
Local Government District of Consol	412,000	412,000
Local Government District of Leaf Rapids	2,791,000	2,791,000
	$ 18,480,000	$ 18,370,000
	$142,056,000	$137,803,000

Notes to the Financial Statements

OCTOBER 31, 1982

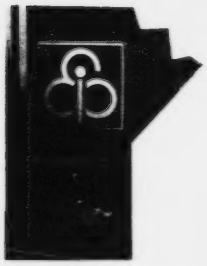
1. *Status of the Corporation.*

   The Manitoba Public Insurance Corporation was incorporated as a Crown Corporation under The Automobile Insurance Act in 1970. In 1974 The Automobile Insurance Act was revised and became The Manitoba Public Insurance Corporation Act (Chapter A180, of the continuing consolidation of the statutes of Manitoba).

   Under the provisions of its Act, the Corporation conducts a comprehensive automobile program and general insurance business. For financial accounting purposes the automobile and general insurance divisions are regarded as separate operations.

2. *Basis of Reporting.*

   The financial statements of the Corporation are in such form as prescribed by Section 37(1) of The Manitoba Public Insurance Corporation Act and are presented in accordance with generally accepted accounting principles and conform in all material aspects to that suggested in the 1974 research study "Financial Reporting for Property and Casualty Insurers" of the Canadian Institute of Chartered Accountants.



Notes to the Financial Statements,
CONTINUED

3. *Summary of Significant Accounting Policies.*

This summary outlines those accounting policies followed by the Corporation which have a significant effect on the financial statements.

Deferred Premium Acquisition Costs.

Commissions and premium taxes are charged to expense over the terms of the insurance contracts to which such costs relate.

Investments.

Bonds and debentures are carried at cost plus accumulated amortization of discounts and premiums. The applicable discounts and premiums are amortized over the life of the investment.

Depreciation and Amortization.

Depreciation is provided on a straight-line basis at rates which will amortize the original cost over the estimated useful life of each asset. The annual rates are:

Buildings	2.5%
Equipment	10.0%
Data processing equipment	20.0%
Automotive equipment	20.0%

Leasehold improvements are amortized over the term of the lease plus the first renewal period.

Organizational Expenses.

The Corporation utilizes the straight-line method of amortization at a rate of 5% per annum. The organizational expenses will be fully amortized for the automobile insurance division in the 1992 fiscal year and for the general insurance division in the 1995 fiscal year.

Pension Plan.

The employees of the Corporation are subject to the Civil Service Superannuation Act and it is the policy of the Corporation to provide for the employer's future pension liability which is fully funded on an indexed basis.

Unearned Premiums.

The liability for unearned premiums is the portion of premiums that relate to the unexpired term of each insurance contract.

Unpaid Claims.

Unpaid claims include a provision for reported unpaid claims and an estimate for unreported claims. The estimate for unreported claims is $25,000,000 (1981 - $17,000,000) for the automobile insurance division and $4,975,000 (1981 - $4,975,000) for the general insurance division.

Notes to the Financial Statements,
CONTINUED

Investment Income.
The investment income has been allocated to the automobile and general insurance divisions based on a monthly averaging of the funds available within each division.

Expenses.
The Corporation allocates expenses incurred to the automobile and general insurance divisions on the following basis:

i) Identifiable direct expenses are charged to each division.
ii) Where direct allocation is impractical, expenses are allocated to each division based on a proration approved by the Corporation's Board of Directors.

Reinsurance.
The agreement under which the Corporation reinsured part of its automobile insurance division risk with its general insurance division was cancelled February 29, 1980. This agreement required a deposit premium each year with adjustments based on loss experience. The inter-divisional transactions included in the accounts are as follows:

	1982	1981
Premiums ceded to the general insurance division	**$ 151,000**	$1,634,000
Reported claims incurred	**138,000**	1,580,000
Provision for unreported claims	**350,000**	1,550,000

The Corporation also ceded premiums to other insurers for the automobile and general insurance divisions, and the general insurance division assumed insurance business from other insurers.

4. a) *Cash and Investments Maturing Within One Year.*

	1982	1981
Cash and Investment certificates	**$54,977,000**	$43,923,000
Bonds and debentures	**4,262,000**	2,807,000
	$59,239,000	$46,730,000

b) As at October 31, 1982 the Corporation has committed $27,000,000 (1981 - $20,000,000) for the purchase of various Manitoba long term securities.

Notes to the Financial Statements,
CONTINUED

5. *Accounts Receivable.*

	1982		1981	
	Subrogation	Other	Subrogation	Other
Accounts receivable	$4,849,000	$15,066,000	$4,468,000	$12,622,000
Less allowance for doubtful accounts	2,747,000	234,000	2,294,000	197,000
	$2,102,000	$14,832,000	$2,174,000	$12,425,000

6. *Property and Equipment.*

The cost of major classes of property and equipment and the related accumulated depreciation and amortization are:

	Cost	Accumulated Depreciation and Amortization	Net Book Value at Oct. 31, 1982	Net Book Value at Oct. 31, 1981
Land	$ 1,318,000	$ —	$1,318,000	$1,289,000
Buildings	5,735,000	962,000	4,773,000	4,818,000
Equipment	2,235,000	1,221,000	1,014,000	666,000
	$ 9,288,000	$2,183,000	$7,105,000	$6,773,000
Leasehold improvements	1,257,000	249,000	1,008,000	1,105,000
	$10,545,000	$2,432,000	$8,113,000	$7,878,000

7. *Organizational Expenses.*

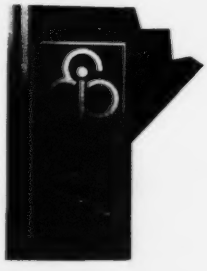
	Cost	Accumulated Amortization	Net Book Value at Oct. 31, 1982	Net Book Value at Oct. 31, 1981
Automobile insurance division	$ 4,709,000	$2,354,000	$2,355,000	$2,591,000
General insurance division	996,000	348,000	648,000	697,000
	$ 5,705,000	$2,702,000	$3,003,000	$3,288,000

8. *Reserves for Catastrophes and Contingencies.*
These reserves will assist in protecting the Corporation against future catastrophic losses and unforeseen events that may arise.

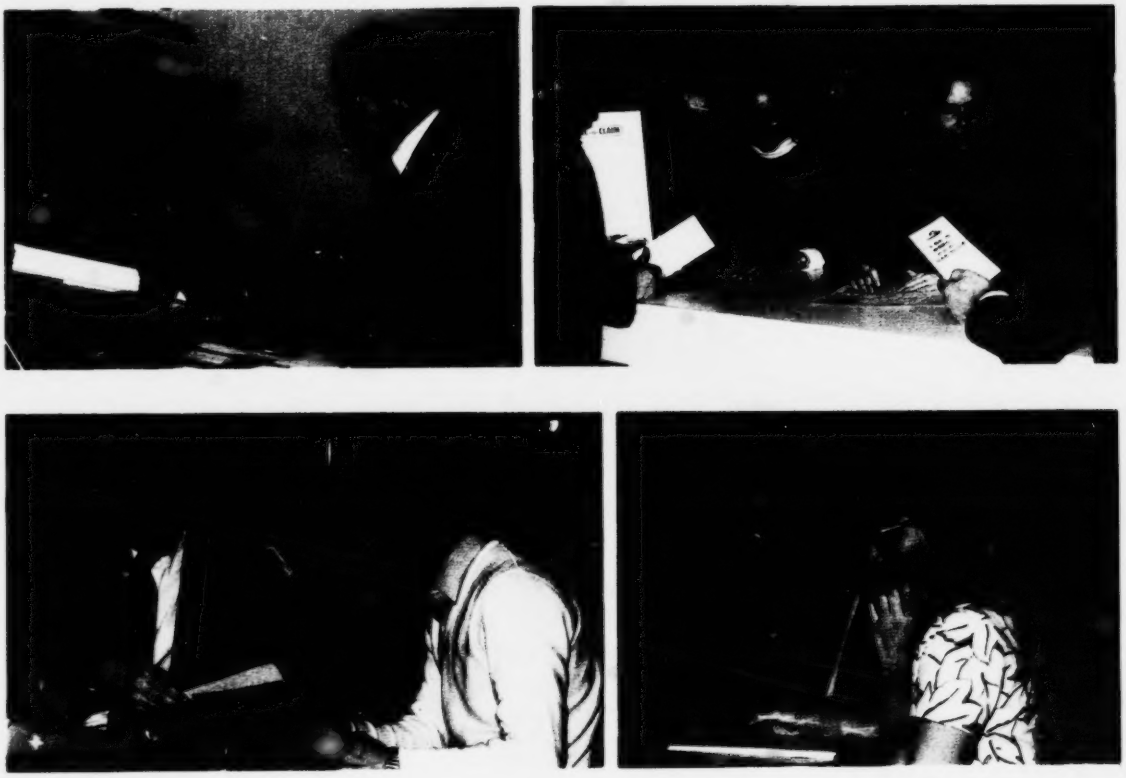
9. *Reserve for Rate Stabilization.*
This reserve may be utilized to offset increases in insurance rates or for providing increased benefits under the automobile plan.

10. *Share Cost Agreements.*
The administrative costs associated with the driver and motor vehicle systems are shared by the Corporation and the Motor Vehicle Branch based on a share cost agreement. For the 1982 fiscal year, the share cost agreement resulted in a net recovery by the Corporation from the Motor Vehicle Branch of $346,000 (1981 - $823,000).

The basic commissions and flat fees paid to agents are also shared by the Corporation and the Motor Vehicle Branch. For the 1982 fiscal year, the share cost agreement resulted in a recovery by the Corporation from the Motor Vehicle Branch of $1,693,000 (1981 - $1,907,000).



"Our First Interest is You"



THE MANITOBA PUBLIC INSURANCE CORPORATION

Five Year Comparison of Financial Statistics

Automobile Insurance Division

IN THOUSANDS OF $

	1982	1981	1980	1979	1978
Premiums Written	**175,073**	157,807	130,390	117,442	108,484
Premiums Earned	**169,376**	148,237	126,562	113,119	105,238
Investment Income	**22,654**	17,747	13,588	11,005	8,645
Claim Costs	**156,712**	144,309	127,448	109,678	96,042
Premium Taxes	**4,520**	3,051	2,600	2,334	2,106

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THE MANITOBA PUBLIC INSURANCE CORPORATION

Five Year Comparison of Financial Statistics

General Insurance Division

IN THOUSANDS OF $

	1982	1981	1980	1979	1978
Premiums Written	**19,875**	13,354	10,597	11,273	8,146
Premiums Earned	**18,357**	12,235	10,299	11,215	7,870
Investment Income	**2,849**	2,388	1,763	1,080	727
Claim Costs	**14,015**	9,015	7,064	7,838	5,073
Premium Taxes	**395**	262	211	233	270

THE MANITOBA PUBLIC INSURANCE CORPORATION

Head Office Brandon — 731 1st Street

Administrative Offices

Winnipeg — Box 6300.
9th Floor, 330 Graham Avenue

Drive-In Claims Centres

Winnipeg —
445 King Street DIAL-A-CLAIM
125 King Edward Street E. DIAL-A-CLAIM
930 St. Mary's Road DIAL-A-CLAIM
420 Pembina Hwy. DIAL-A-CLAIM

Brandon — 731 1st Street DIAL-A-CLAIM
Dauphin — Box 3000, 217 Industrial Road
Portage la Prairie — 2007 Saskatchewan Ave. W.
Selkirk — 630 Sophia Street DIAL-A-CLAIM

Claims Offices

Flin Flon — #8 Timber Lane Road
Steinbach — Box 2139, 110 Townline Road
Swan River — Box 1959, Highway #10 East
The Pas — Box 9100, Otineka Shopping Mall
Thompson — Box 760, 80 Nelson Road
Winkler — Box 1990, 600 Memorial Drive

Commercial Automobile Claims

Winnipeg — 1981 Plessis Road

Bodily Injury Claims Centre

Winnipeg — 8th Floor, 330 Graham Avenue

General Insurance Claims

Winnipeg — 8th Floor, 330 Graham Avenue

Salvage

Brandon — 731 1st Street
Dauphin — Box 3000, 217 Industrial Road
Winnipeg — 1981 Plessis Road

The Manitoba Public Insurance Corporation

Head Office [illegible]

Administrative Offices

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Direct Int Claims Centres

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Claims Offices

[illegible]

Commercial Automobile Claims

[illegible]

Bodily Injury Claims Centre

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General Insurance Claims

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Salvage

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The Manitoba Public Insurance Corporation

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